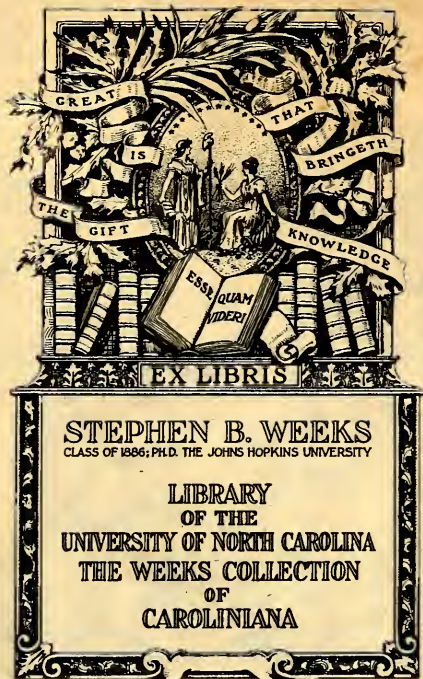


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Struggle of The Confederacy

Curry



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The Struggle of the Confederacy

Miss. Lewis. man. etc.
J. L. M. CURRY

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The Struggle of the Confederacy.¹

BY J. L. M. CURRY.

The writing of Confederate History passes through stages or cycles, and many years will elapse before the last word is said. Naturally, the military history first claimed attention, and among the best and most conclusive books on that aspect of the subject are Henderson's *Jackson* and Wyeth's *Forrest*. Besides Davis, Stephens, Bledsoe and "The Southern States in their Relations to the Constitution and the Resulting Union," the civil side has elicited The Civil History of the Confederate States, reviewed in this magazine for Sept., 1901, Smith's History of the Confederate Treasury,² and Callahan's Diplomatic History of the Southern Confederacy. Dr. Schwab, turning aside from tactical and technical problems in warfare and partially from the political aspects,³ considers financial and industrial phenomena, as a study of economic history under the abnormal conditions of war. Before going further, it gives us pleasure to say that the author has shown a historic spirit, consulting and well using many authorities not generally accessible, presenting by far, with the exception of Prof. Smith, the most complete account of the fiscal history of the Confederacy, and showing himself frequently far above the incompleteness and prejudices which

¹ THE CONFEDERATE STATES OF AMERICA, 1861-1865. A Financial and Industrial History of the South during the Civil War. By John Christopher Schwab. New York; Charles Scribner's Sons, 1901. pp. XI+332, index, cloth, \$2.50.

² Professor Smith's study of the Confederate Treasury, appearing in these PUBLICATIONS for Jan., Mar. and May, 1901, is the fullest investigation of the subject in existence.

³ When the author ventures upon political statements, he stumbles grievously.—See pp. 189, 212, &c.

P 7562

disfigure so many works on the Confederacy. Contemporary records are scarce and fragmentary, but Dr. Schwab has been industrious in hunting them up and skilful in using them. The harshest criticism which can justly be made is that he uses trustworthy and untrustworthy material with equal freedom and confidence and from lack of personal knowledge of some of the authorities attaches undue importance to writers who never saw any thing pertaining to the Confederacy except through jaundiced eyes. No practical good would result from an exposure of these authorities, which any one familiar with the men and events of the war between the States would reject as utterly unreliable.

The difficulties and obstacles encountered by the Confederacy were unavoidable and insurmountable in consequence of the length, magnitude and exhausting character of the war. Chiefest among these was the currency, essential to the government in its varied and imperative needs, to the people in their ordinary pursuits, and needed in all industrial enterprises. The war was undesired, unanticipated, unprovided for, by the South, and that section, in men, resources, accumulated capital, banking facilities, transportation, manufactures, all industries, was far inferior to its adversary. Mr. Memminger, the Secretary of the Treasury, and President Davis, it may now be conceded, were not capable financiers, but the circumstances were such that Morris, Turgot, Colbert, Gladstone, would have found themselves amid "a sea of troubles." No experience, skill, ability, could have kept the very limited amount of specie in the country, or made rapidly increasing bonds, treasury notes, bank notes, promissory notes, equal in value to, or convertible into, gold and silver. As the war went on and armies were increased and blockade of coasts became more effective and area of unoccupied country contracted and government necessities grew to more enormous proportions, and facilities of internal communication were lessened, the circulating medium perform-

ed its functions less satisfactorily and with hastening and unimpedible depreciation. Bonds, treasury notes, call certificates, exports and imports were less and less available to meet the illimitable expenditures. Persons, at home and abroad, willing to advance money in exchange for interest-bearing bonds were not to be found. "The government's hopes that the redundancy of the currency would be corrected by their absorption in bonds proved as groundless as similar hopes in the North." Army requisitions ran up from 59½ millions in 1861 to 670 millions in 1864, and the estimates during the year 1864 called for 1,500 millions (Schwab, 55,56). The domestic public debt in Oct., 1864, amounted to 1,371 millions (p. 76). During the last year of the war the government was irretrievably bankrupt. Huge floating debts accumulated, unpaid warrants, &c., were ghosts that would not "down" at any bidding of Congress or the Treasury Department.

It would be "love's labor lost" to try to excuse or vindicate the failure of the financial policy of the Confederacy. The stubborn facts are before us and refuse to accept explanation. Let us concede frankly that they are to be admitted in their baldness. It is no palliative of our regret that Dr. Schwab and Dr. Sumner, with their great learning and ability, and all other writers, English and American, while condemning the Confederate finances, have never been able to suggest what would have been a safer policy, or what would, or could, have prevented a redundant or depreciated currency, or fluctuation and excess in prices, or supplied the government with available credit or money.

In all revolutionary crises, demanding large and unexpected uses of money, or its representatives, governments and people have sustained heavy losses and repeated the experiences of the Confederacy. Dr. Schwab with candor mentions not a few parallel instances as occurring in the North, in France, in Austria, in Italy and during our Revo-

lutionary struggle. Under Secretary Chase's financial *régime*, the Northern banks lost, as did the Southern, a large part of their specie to the government. The North, the South, France, shared in the same illusion that interest-bearing notes would be held for investment and so prevent redundancy (89). The Confederate Government elaborated financial transactions with foreign houses on the security of exports of highly-prized products, and Hamilton in 1779 urged a foreign loan as a remedy for the disturbed state of the currency. During the Revolution, financial distress compelled the government to obtain foreign supplies by placing loans on the security of American products. Both governments suffered from wastefulness in securing the supplies (28, 29). The funding of the Confederate debt, a kind of repudiation which proved deceptive in correcting the redundancy of the currency and in helping the national credit and which was the sure precursor of the wreck of Confederate finances, was a copy of the devices adopted during the French and American Revolutions (46, 59).

The reviewer has an interesting collection of "shin-plasters," issued during the "hard times" of 1837-1840, and so in the North as well as in the South, during the war, States, municipalities, merchants, innkeepers, &c., issued their promissory notes making them redeemable in goods or services, or when a larger sum was presented for payment.

A favorite mode of bolstering different forms of paper currency has been to make them a legal tender, and the United States Congress passed its first Legal Tender Act, 25 Feb., 1862. Treasury notes to the amount of \$150,000,000 were authorized, receivable in payment of all debts, except duties and interest due to and from the Federal Government. This compulsory scheme was favored by Secretary Chase although as Chief Justice he declared against its constitutionality, and it became necessary after-

wards, as the Court was equally divided, to appoint an additional judge known to be favorable to the strained construction of the Constitution. In the Confederate Congress bills to make treasury notes a legal tender were often introduced and as often successfully resisted. The reviewer has the notes of a speech made in the Congress in opposition to this effort, in which he urged that such a compulsory method of imparting an artificial value to money or government credit had universally proved a failure; that it was an impairment of contracts; that the injection into the Constitution of a power not specifically granted, but intentionally omitted, was an utter departure from the fundamental principles of a government which was intended to guard against the assumption of powers not granted, &c., and that on the grounds of expediency the remedy for the evil was a foredoomed failure. The story of the Continental currency and of French *assignats* was cited as conclusive against the measure.

As auxiliary to remedial legislation and to help debtors in their distress, the States passed stay-laws, relaxed collection laws and tried many measures to limit the rights of creditors. These measures grew out of the stringency of the times, the diminution of means wherewith to pay debts, and the worthlessness of the "money." They may be, doubtless are, indefensible, but they are the common resort of all countries controlled by public opinion, when panics and bank suspensions occur.

The Confederate Government in its sore trials and inability to reap benefits from bonds and *fiat* money and the impossibility of filling coffers by duties on imports or by direct taxation resorted to a tax in kind, largely at the suggestion and on the advocacy of Senator Hunter, who had been Chairman of the Finance Committee in the Senate of the United States, and resorted to impressments which produced much discontent and aroused no little of the opposition to the continuance of the war. The

aggravations of burdens, already too heavy to be borne, found no comfort or defence in the fact that, under similar conditions and with like complaints, impressments were resorted to during the French Revolution and our Revolutionary War. The policies of the Confederate and of the Continental Congress also "ran strikingly parallel in their restricting foreign trade and also in engaging in it" (256, 266, 265).

These illustrations might be multiplied as showing that counterparts of our action are easily found elsewhere and that our conditions made a sound currency and the collection of sufficient revenue by taxation and the ordinary peace methods an impossibility. Only the survivors of the war can know the privations and sufferings, physical and mental, of that terrible period, when salt was often procured by digging up and boiling the saturated earth of the smoke houses; when coffee was unobtainable, sassafras was the substitute for tea, sorghum for sugar and molasses, medicines were not to be had, a pair of shoes cost \$100.00, a barrel of flour, \$900, hats and clothing were made at home with rudest implements, railways, in bridges and rolling stock, were in a dismantled condition, prices for the commonest necessaries were fabulous, and, as our industries were almost exclusively agricultural, attempts to secure material means to carry on the war or enjoy former home comforts were hindered on every side.

Dr. Schwab expresses the simple but generally unacknowledged truth that "it was the blockade rather than the ravages of the army that sapped the industrial strength of the Confederacy" (236). It destroyed imports and exports as a basis for revenue and as a stimulus to production; it made legislation on trade impotent; it surrounded the South with a Chinese wall; it perpetuated original inequalities in manufactures and various industries; it made each day darker and more ominous by the helplessness of industrial improvement.

Chapter X on the Military Despotism of the Confederate Government is less just to the South than other chapters and more partial to the North, and relies more implicitly on authorities that we know to be prejudiced and persistently unfavorable to the Confederacy. We may as well admit the historic truth that war and a limited constitution are irreconcilable and that restrictions intended for peace are trammels which like the fetters on Samson will be torn asunder in a conflict of life and death. Despotism in an army seems to be a necessary outgrowth of a protracted and formidable war. Hence both governments—the Confederate and the Federal—recruited their forces by conscription, which tyrannous exercise of power was less excusable in the North with a largely preponderant population and with access to foreign enlistments which supplied 720,000 men to her army. The suspension of the writ of *habeas corpus* by the Confederate Congress was from February 27, 1862, to August 1, 1864, but in many parts of the country it was a dead letter. Dr. Schwab (190) uses this decisive language: "The Confederate Government, in suspending the functions of the civil authorities at various times and places during the war, did not employ this extreme war measure with the stringency characteristic of the similar line of policy adopted by the Federal Government. In the North the relentless declaration of martial law was much more effectively and harshly used as a means of cowing the opposition and restraining the disloyal, &c." Senator Hoar, in the Senate, in June last, said: "The courts-martial during the Civil War were a scandal to the civilized world."

Dr. Schwab is satirical in contrasting the religious revivals in the Southern army with "the revolting picture of moral decadence" which he finds to have existed in the South. A distinguished General in the Union army, who illustrated with terrible reality the aphorism, said: "War is hell." War is not favorable to the gentler virtues, but,

altho my testimony may be discredited, I wish to affirm that morality in the South did not suffer the decadence which is charged. In the cities there was some reprehensible laxity but in the villages and rural districts the departure from the usual correct standard was not so marked as to distinguish from former days.

Amid the severities and sufferings consequent on a war of invasion, aggravated and intensified by unusual conditions, the patriotism of the Southern States and people stands out in inextinguishable glory. Men and women never exhibited greater patience, endurance, courage. "The Southern cause evoked as much devoted loyalty as has been called forth by any cause in history; and that cause was supported at a cost greater than in any similar conflict. The Southerners' sacrifices far exceeded those of the Revolutionary patriots" (312). The unconquerable devotion to principle and country makes a sublime record that the history of ages will not surpass. While disintegrating forces within were incessant and irresistible, courage and hope remained until the tragedy closed at Appomatox.

Notwithstanding, rather because of the mild criticism we have found it necessary to make, we wish to commend this book as a real contribution to history and as a praiseworthy instance of how the asperities of war have been softened. "To the student of our country's history that of the Confederate States is the story of a fierce struggle against overwhelming odds, the culmination of an inevitable conflict the foundations of which were laid in an earlier period. * * To the economist the war does not centre about the heroic efforts of the South to resist the strategy of the Northern generals, but it centres about the picture it presents of the negation of normal economic forces" (310).

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